



Terry Goddard
Attorney General

Office of the Attorney General
State of Arizona

Jeanne M. Galvin
Assistant Attorney General

April 23, 2009

Via regular U.S. Mail

RECEIVED

Mr. Timothy H. Shaw
8603 E. Royal Palm Road
#100
Scottsdale, AZ 85258

JUL 08 2009

ARIZONA BOARD OF APPRAISAL

Re: Board of Appraisal Case No. 2660

Dear Mr. Shaw:

As you know, the Board received a complaint regarding an appraisal you performed on property located at 10243 N. 42nd Street, Phoenix, AZ 85028 with an effective date of value of April 16, 2007. At its April 16, 2009 meeting the Board voted to offer you the opportunity to resolve this issue with a Letter of Due Diligence.

In addressing this matter, the Board reviewed the complaint, your response thereto, the appraisal, the supporting workfile and the investigative report. The Board concluded that your analysis of the marketing times was incorrect, you failed to properly choose and analyze comparable sales, and there were no adjustments made for differences in types of roof or for the differences in quality of construction between the subject and the comparable sales. In addition, your use of superior comparable sales resulted in an inflated estimate of value of the subject property and a misleading appraisal report. Finally, all documentation in your workfile was dated after the date of the appraisal and is not contemporaneous with the issuance of the appraisal report; nor was there an order form or appraisal request stating the name of the client or any intended users.

The Board finds that your appraisal development and reporting violate the following standards of the Uniform Standards of Professional Appraisal Practice (USPAP), 2006 edition:

Standards Rule 1-1(a); Standards Rule 1-4(a); and Standards Rule 2-1(a)

Pursuant to Arizona Administrative Code (A.A.C.) R4-46-301 and the Board's Substantive Policy Statement #1, the Board considers these violations to amount to a Level II Violation. In lieu of further proceedings, and pursuant to Arizona Revised Statutes (A.R.S.) §32-3632(B) and A.A.C. R4-46-301(C), the Board is willing to resolve this matter with a letter of due diligence, if you agree to remedy these violations through exercising greater due diligence **by successfully completing not less than six (6) hours in Mortgage Fraud and fifteen (15) in Basic Appraisal (with successful completion of an exam). The coursework must be completed within six (6) months from the date of this letter as shown at the top of the first page.** A list of approved remedial and disciplinary education courses is on the Board's website for your convenience in locating the appropriate course(s). The education may not be used toward your continuing education requirements for renewal during your next licensing period. **A letter of due diligence is**

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a disciplinary action and is a matter of public record in your Board file, and may be used in any future disciplinary proceeding.

By signing below, you acknowledge that you have read and understood this letter of due diligence. You have the right to consult with legal counsel regarding this matter, and have done so or choose not to do so.

By signing this letter of due diligence, you are voluntarily relinquishing your right to an informal hearing, formal hearing, and judicial review in state or federal court with regard to the matters herein.

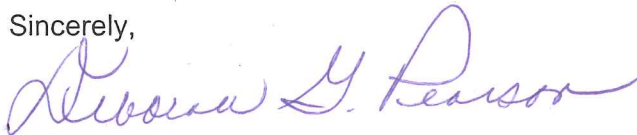
Upon signing this letter of due diligence and returning it to the Board, you may not revoke acceptance of this letter of due diligence. In addition, you may not make any modifications to this letter of due diligence. Any modifications to this letter of due diligence are ineffective and void unless mutually approved by you and the Board.

If any part of this letter of due diligence is later declared void or otherwise unenforceable, the remainder of the letter of due diligence in its entirety shall remain in force and effect.

If you fail to comply with the terms of this letter of due diligence, the Board may properly institute proceedings for noncompliance, which may result in suspension, revocation, or other disciplinary and/or remedial actions. By signing this letter of due diligence you are agreeing that any violation of this letter of due diligence is a violation of A.R.S. § 32-3631(A)(8), which is willfully disregarding or violating any of the provisions of the Board's statutes or the rules of the Board for the administration and enforcement of its statutes.

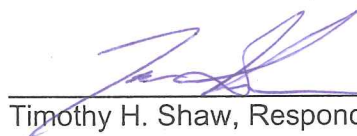
If you agree to accept this letter of due diligence, please execute this document by your signature below. Please return the original signed document to the Board at 1400 W. Washington, Suite 360, Phoenix, Arizona 85007, on or before May 25, 2009. If you do not return this original document on or before the specified date, the Board may conduct further proceedings.

Sincerely,



Deborah G. Pearson
Executive Director

ACKNOWLEDGED AND AGREED



Timothy H. Shaw, Respondent

7/8/09
Date

c: Jeanne M. Galvin, Assistant Attorney General
#448851